VZCZCXRO9918 OO RUEHLA DE RUEHSG #0073/01 0121535 ZNR UUUUU ZZH O 121535Z JAN 06 FM AMEMBASSY SANTIAGO TO RUEHC/SECSTATE WASHDC IMMEDIATE 8211 INFO RUEHBR/AMEMBASSY BRASILIA PRIORITY 3020 RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 2840 RUEHCV/AMEMBASSY CARACAS PRIORITY 0837 RUEHLP/AMEMBASSY LA PAZ PRIORITY 4420 RUEHPE/AMEMBASSY LIMA PRIORITY 4398 RUEHME/AMEMBASSY MEXICO PRIORITY 0985 RUEHMN/AMEMBASSY MONTEVIDEO PRIORITY 3149 RUEHLA/AMCONSUL BARCELONA PRIORITY 0009 RHEHNSC/NSC WASHDC PRIORITY RHMFISS/HQ USSOUTHCOM MIAMI FL PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY

UNCLAS SECTION 01 OF 02 SANTIAGO 000073

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E.O. 12958: N/A
TAGS: PREL PGOV CI
SUBJECT: EVE OF CHILE'S PRESIDENTIAL RUN-OFF ELECTION: NO
CLEAR WINNER ON THE HORIZON

REF: A. 05 SANTIAGO 02486

- **1**B. 05 SANTIAGO 02541
- 1C. 05 SANTIAGO 02495 AND PREVIOUS
- 11. Summary: Two days before the January 15 presidential run-off election, the ruling center-left Concertacion coalition's Michelle Bachelet leads center-right opposition Alianza coalition candidate Sebastian Pinera in the polls to succeed Ricardo Lagos as Chile's next president. The Pinera campaign argues that the large number of undecided voters continue to give him a strong chance to prevail. Pinera has intensified his attacks on Bachelet,s leadership qualities and portrayed himself as the only candidate who has proven successful leadership qualities in both the business and political worlds. Voting will begin early on Sunday, January 15, with preliminary results available around 1800 local time (1600 EST). The winner, and the new Congress, will take office on March 11, 2006. End summary.
- $frac{1}{2} extcolor{1}{2}$. On January 15, Chileans will elect as president one of the top two vote-getters from the December 11 first round election (ref a): center-left Concertacion candidate Michelle Bachelet, and center-right Alianza candidate Sebastian Pinera. Bachelet won 45.96 percent of the vote during the first round, compared with 25.44 percent for Pinera and 23.23 percent for the other rightist candidate, former Santiago mayor Joaquin Lavin. Since no candidate won more than 50 percent of the vote, Bachelet and Pinera moved on to a run-off. To date, there have been no notable allegations of corruption, influence peddling or outside interference during the campaign. However, Pinera and Alianza members of Congress have charged President Lagos and senior members of his administration, including former Education Minister Bitar, with intervening in the elections by actively campaigning on Bachelet's behalf. These allegations, which have yet to be investigated, do not seem to have aroused much concern in the electorate.
- 13. Bachelet emerged from the first round in a strong position, just a few percentage points from obtaining an absolute majority. After stumbling during the first week of the subsequent run-off campaign, she has regained her footing. By granting some concessions (e.g., agreeing to change Chile,s binomial electoral system), Bachelet has secured the support of the Communist Party and other elements

of the far-left &Together We Can8 coalition. Key figures from different factions within the Christian Democratic party also lined up in support. Most observers believe Bachelet more than held her own against Pinera during the January 4 nationally-televised debate.

- 14. Recent polls give Bachelet a lead of 3-11 percent over Pinera. However, the polls also reflect a relatively high degree of uncertainty among a large segment of the electorate. According to one national poll of 1500 individuals conducted by the Chilean firm DataVoz in conjunction with leading Chilean daily "La Tercera," 22 percent of registered voters said they were "uncommitted8 (i.e. undecided, no response, void or blank votes). The Pinera campaign believes these numbers reflect uncertainty and concern about a Bachelet presidency. As a result, Pinera has intensified his attacks on Bachelet, s leadership inexperience and, in the process, portrayed himself as the candidate who possesses the necessary leadership qualities to lead Chile into the developed world.
- 15. As of January 13, campaign advertising must cease. Polls are scheduled to open at 0700 on January 15 and close at approximately 1700. Using the December 11 first round election as a guide, preliminary results may be announced by 1800 local time (1600 EST). The winner of Sunday's election, together with the new Congress that was elected on December 11, will be inaugurated on March 11.

Factors to Watch

16. Michelle Bachelet is clearly in a strong position to succeed President Lagos. Her numbers (nearly 46 percent),

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and the backing of an extremely popular president, make her the front-runner to win Sunday's election. Following the first round, Post identified several factors that were likely to influence the outcome on January 15 (ref b). The first -- Lagos Administration public support and the President's personal involvement -- appears to be have been met. President Lagos has stepped up his public support for Bachelet during the run-off campaign, including a visit this week to the region of the country where support for Bachelet was the lowest in the first round. It is unclear whether two other important factors -- Bachelet,s ability to hold on to centrist voters and to persuade "Together We Can" coalition supporters to vote for her -- will go her way on Sunday.

17. Sebastian Pinera's road is steeper, and his success will depend to a large extent on two factors: his ability to secure the 23 percent of the vote that went to his rival on the right, Joaquin Lavin, in the first round; and his success in &stealing8 some votes from the more conservative wing of the Concertacion coalition's Christian Democratic Party. One without the other will not be enough. Another factor which could play a role in determining the winner of the election is whether non-participants in the first round's 12 percent abstention rate come forward and vote on January 15. KELLY